

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4567-01  
Bill No.: HB 1908  
Subject: Business and Commerce, Motor Vehicles, Revenue Dept.  
Type: Original  
Date: April 8, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Highway Funds	(\$10,234)	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$10,234)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials with the **Department of Revenue (DOR)-Division of Motor Vehicle and Driver Licensing** assume their agency could incur costs for changes to the current policy and procedures, updating titling manuals, notifying insurance companies and mailing the updates and changes to appropriate entities. DOR would require \$10,234 for FY03 to implement this legislation. The proposal would also require the current title file to be manually updated, by removing prior salvage designation. It is anticipated that this will have minimal impact.

Officials with the **Department of Transportation (DHT)** assume that this proposal would allow an undamaged, recovered motor vehicle that was stolen to be sold without a salvage title license. DHT further assumes that this will increase its sale value, which would also increase the sales tax paid on the sale of that vehicle. A portion of the sales tax on sales and leases of motor vehicles is deposited into the Motor Fuel Tax Fund for eventual deposit into the State Road Fund. Therefore, there should be a positive increase in revenue. DHT is unable to provide an estimate for their agency for this proposal and will rely on the response from the Department of Revenue.

**Oversight** assumes that any projected revenues based on increased sales tax would be minimal.

Officials with the **Missouri State Highway Patrol** and **Department of Insurance** assume no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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### **HIGHWAY FUNDS**

<u>Expense-Department of Revenue</u>			
Equipment and Expenses	<u>(\$10,234)</u>	<u>\$0</u>	<u>\$0</u>
Total	<u>(\$10,234)</u>	<u>\$0</u>	<u>\$0</u>

<b>ESTIMATED NET EFFECT ON HIGHWAY FUNDS</b>	<b><u>(\$10,234)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

This proposal could impact those small business's that deal in used car sales.

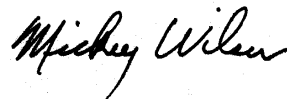
### DESCRIPTION

This proposal would allow insurance companies to obtain an original title on a vehicle where ownership has been assigned to the company in a settlement of a claim for loss due to theft if the company provides a certified statement upon recovery indicating that the vehicle sustained no damage and returns any previously issued salvage title. Upon issuance of an original title, the Department of Revenue would erase any evidence of a salvage title from its records.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Revenue  
Department of Transportation  
Missouri State Highway Patrol  
Department of Insurance



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Acting Director  
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